

General Conditions of Purchase

1. Scope

1.1. These General Conditions of Purchase (the "**General Conditions**") apply to all quotations, purchase orders, order confirmations and sales transactions concluded between Windak OÜ, 11025871, Treiali tee 3, Peetri alevik, Rae vald, 75312 Harjumaa, Estonia (the "**Buyer**") acting as the buyer and a Supplier of goods and/or services (the "**Supplier**") in respect of the sale and delivery of such goods and/or services (the "**Products**"). Products can be either ready-to-buy products or specially produced products according to Buyer's technical descriptions, drawings or designs or similar (the "Designs"). Deviations from the General Conditions shall only apply if such deviations are expressly agreed in writing between the Buyer and the Supplier (the "Supply Agreement"). The General Conditions, the Purchase Order (as defined below) and the relevant acceptance are collectively referred to as the **Agreement**.

2. Quotations

2.1. Each Party shall cover its own costs and expenses for the preparation of quotations. A quotation from the Buyer does not constitute a binding offer but only a non-binding request.

2.2. All prices contained in an offer from the Supplier (the "Offer") based on a quotation from the Buyer (the "Proposal for Offer") shall be according to the Designs delivered from the Buyer, in the agreed currency exclusive of VAT and any existing public duties and other costs. The Supplier shall obtain no rights (intellectual property rights or any other) to Designs delivered by the Buyer nor Products created based on such Designs and shall immediately return such Designs including copies hereof upon the Buyer's request. Any changes in Prices must be approved by Buyer in writing. Supplier may not charge Customer Buyer for any additional fees or expenses not set out in the Purchase Order.

3. Ordering and Changes

3.1. If the Buyer wishes to purchase Products from the Supplier, the Buyer shall place a Proposal for Offer (with the relevant Design information if applicable) to the Supplier. Supplier will then place its Offer to the Buyer. Buyer will thereafter issue a purchase order which constitutes the acceptance of the Offer (the "**Purchase Order**") to the Supplier.

3.2. Purchase Orders issued by the Buyer shall be considered accepted by the Supplier if there is no immediate objection by the Supplier. Once a Purchase Order has been accepted by the Supplier the Purchase Order as well as General Conditions shall be binding on the Parties.

3.3. No modifications to any Purchase Order will be binding on the Parties unless those changes or modifications are agreed in writing by authorized representatives of Buyer and Supplier.

3.4. Any changes in the Design or manufacturing process of the Products, which may have effect on the quality, reliability, interchangeability, availability, fit, form and function of the Products, are subject to Buyers' prior written approval. Without such approval any change shall be considered a material breach of the Agreement.

3.5. The Supplier shall ensure that its suppliers, raw-material manufacturers and other service providers are following the same principles, and understanding between the Parties as provided in the Agreement. Should the Supplier use sub-suppliers for fulfilling its obligations under the Agreement, Supplier will ensure the compliance of sub-suppliers with the Agreement.

4. Delivery and Payment

4.1. The time of the delivery (the “**Delivery Date**”) is stated in the Purchase Order. If the Products are not delivered at the agreed Delivery Date and such delay is caused by the Buyer, including in case of modifications to the Products requested by the Buyer after the Supplier's acceptance of a Purchase Order, the time of delivery will be postponed to the extent the delay is caused by the Buyer.

4.2. The terms of delivery of Products shall be DDP Treiali tee 3, 75312 Peetri, Harjumaa Estonia according to INCOTERMS 2020, unless otherwise defined in the respective Purchase Order.

4.3 Supplier undertakes to package the Products properly for transportation and shall follow any instruction of Buyer. Prices of the Products shall include the cost of packaging. Supplier agrees to indemnify Buyer against any damage to Products resulting from improper packing.

4.4. If the Products are not delivered at the agreed Delivery Date, the Buyer is entitled to claim contractual penalty of zero-point five (0.5) percent of the purchase price of the delayed Products in question per working day the Products are delayed (however excluding a grace period of one (1) day), up to a maximum of twenty-five percent (25%). Thereafter the Buyer will be entitled to cancel the purchase order without any liability or further responsibilities towards the Supplier and to claim compensation for the damages that the Buyer has suffered.

4.5. If delivery is made earlier than 3 days before the agreed Delivery Date, the Buyer shall at its own discretion be entitled to either (i) reject the Products and demand delivery at the Delivery Date; or (ii) accept delivery of the Products and claim reimbursement of storage and handling costs which have been incurred as a consequence of early delivery.

4.6. Title of the Products will pass to the Buyer upon delivery of the Products. The Buyer will examine the Products within fourteen (14) working days after the delivery of the Products.

5. Warranty

5.1. The Supplier warrants that during the warranty period all delivered Products are free from malfunctions and defects in material and workmanship and correspond to the technical documentation, information of the Products and the requirements provided by the Buyer.

5.2. The warranty period shall endure for a period of twelve (12) months from the Delivery Date.

5.3. Additionally, the Supplier warrants that the Products are free and clear of any third party rights.

5.4. In the event of Epidemic Defect (as defined below) occurs or threatens to occur, in order to mitigate the loss or anticipated loss, Buyer shall have the right to, in addition to the remedies set forth above, to demand Supplier to modify or replace not only the defective Products, but also any other Products with the same article code, or Products which have been delivered or manufactured

in the same manufacturing lot as the defective Products. Supplier shall compensate any other direct costs arising from or relating to an Epidemic Defect, including but not limited to cost of repair, replacement, recall and retrofit incurred by Buyer or Buyers' customer. "Epidemic Defect" shall mean any defect which appears within five (5) years from the Delivery Date in more than zero point five (0.5%) per cent of Products delivered or manufactured in the same delivery lot, or any actual or anticipated threat of personal injury or damage to property resulting or arising from a defect in a Product.

6. Quality

6.1. The Products shall comply with the quality characteristics which are stipulated in the Buyer's Proposal for Offer as well as Purchase Order or agreed upon in any other manner between the Parties.

6.2. The Products shall also comply with statutory requirements applicable to the Products and their production in the Republic of Estonia. The Supplier's quality system shall fulfil routines according to EN ISO 9001:2015. Supplier shall ensure that all products are free of defects and fulfill all technical or quality requirements.

6.3. Delivered Products must not contain prohibited chemicals according to EU law. The Supplier shall confirm that the Products do not contain conflict minerals originating from

6.4. Windak OÜ shall have the right to audit Supplier's facilities/ premises and quality system with prior reasonable notice.

6.5. It is paramount for the Buyer that all its Suppliers adhere to the quality requirements, standards and processes that exist in industrial sector. All goods that do not fulfil Buyer's technical or quality requirements are considered as non-compliant, therefore in case of a complaint 8D (Eight Disciplines Methodology) report shall be used.

6.5.1. Supplier shall respond within 24 hours after receiving claim and shall issue the first part of the 8D with item D1 (Form a problem solving team), D2 (Problem description) and D3 (Immediate containment actions) completed and submitted to Buyer.

6.5.2. Second part of the 8D report (D4: Root cause analysis, D5: Possible permanent corrective actions) shall be completed and submitted within 10 working days after receiving the inspection report claim.

6.5.3. The remaining part of 8D report (D6: Permanent corrective actions, D7: Preventive actions and D8: Final discussion/comments) shall be completed and submitted within 20 working days after receiving the inspection report claim

7. Liability

7.1. If a Product is defective, the Supplier is obliged to re-deliver or remedy the defective Product at his own expenses immediately. If the defective Product is returned to the Supplier, the Supplier is obliged to issue a credit note and invoice the new deliveries again as from the new delivery date.

7.2 In addition to the Buyer's right to demand re-delivery and remedy the Buyer shall be entitled to damages for any loss suffered by the Buyer due to a defective Product including indemnification against any third party claims raised as a consequence of a defective Product.

7.3. Under no circumstances shall the Buyer be liable for loss of profit of the Supplier.

7.4. The limitations and exclusions of liability stipulated in the General Conditions shall not apply where such liability cannot be excluded or limited under applicable law.

8. Environment and employee safety

8.1. The Buyer is entitled to audit that the Supplier fulfils relevant aspects in relation to the environmental requirements.

8.2. The Supplier must comply with all applicable laws regarding the environment, including in relation to waste disposal and the handling of hazardous and toxic materials. The Supplier must also comply with the respective statutory provisions governing the treatment of employees and health and safety at work and to work on reducing the adverse effects of its activities on human being and the environment.

9. Force Majeure

9.1. Neither the Buyer nor the Supplier shall be liable to the other party in case of non- fulfilment of its obligations in respect of the Agreement to the extent such non- fulfilment is caused by a Force Majeure Event. Force Majeure Event means any event or circumstance including, without limitation, however only to the extent such event or circumstance could not reasonably have been foreseen, avoided and was beyond the reasonable control of a party, compliance with any law or governmental or quasi-governmental order, regulation, direction or any overriding emergency procedures, accident, fire, flood, storm, and strikes or any industrial action.

9.2. Force Majeure can only be claimed when the affected party has given the other party written notification no later than maximum two (2) days after the Force Majeure Event. Failing deliveries from the Suppliers sub-suppliers shall not qualify as a Force Majeure Event.

10. Business and Product Liability

10.1. The Supplier shall maintain and keep in force adequate general liability insurance covering the Products delivered to the Buyer. A valid insurance shall be presented to the Buyer on demand.

10.2. The Supplier shall assume full responsibility and liability for any product liability claims ("Claims") related to the Products whether such claim is brought against the Supplier or the Buyer. The Supplier shall indemnify and hold the Buyer harmless from and against all Claims directed at the Buyer.

11. Governing Law and Jurisdiction

11.1. The Agreement shall be governed and interpreted under the legislation of the Republic of Estonia.

11.2. Any disputes arising from the Agreement which cannot be resolved by negotiations shall be resolved at Harju County Court.

12. Final Stipulation

12.1. The Agreement shall be valid until all obligations under the Agreement are duly fulfilled by both Parties.

12.2. Should any provision of these General Conditions be void or nullified by virtue of applicable law, the Buyer and the Supplier shall consult each other and agree on a provision that actually is allowed and which as much as possible captures the purpose of the original provision.

12.3. The Buyer has the right to unilaterally change the General Conditions at any time by notifying the Supplier of the new version of the General Conditions either by mail, e-mail or other electronic means of communication at least 30 days in advance. The new version of General Conditions shall apply only to those Purchase Orders that are issued after the new version of General Conditions has been made available to the Supplier.

12.4. For the avoidance of doubt, the terms and conditions of the Supplier do not apply to this Agreement unless the Buyer has expressly accepted them.

12.5. The Agreement contains all clauses and supersedes all previous agreements, written or oral, between the Parties concerning the subject matter of the Agreement.